

**BEFORE THE FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

**IN THE MATTER OF:**                     )  
  )  
**MISSOURI RESEARCH AND**        )       **CC Docket No. 02-6**  
**EDUCATION NETWORK**                     )

**Request for Review**

The Missouri Research and Education Network (MOREnet)  
respectfully requests the Federal Communications Commission review and  
overturn the funding denial decisions of the Schools and Libraries Division  
(SLD) of the Universal Service Administrative Company (USAC). MOREnet<sup>1</sup>  
specifically appeals the September 9, 2005 funding denial of Year 2003 Form  
471 Application Number 345858, specifically Funding Request Numbers  
1026342, 1026382, 1026398, 1026398, 1026412, 1025425, 1026444, 1026475,  
and 1026508 in the combined amount of \$410,195.55.

The SLD's funding denial decision is without merit and without  
justification. MOREnet respectfully requests the Commission to overturn the  
funding denials and return the application to SLD for full review and  
consideration on the merits.

**Background**

The Missouri Research and Education Network is the state education  
network for Missouri. MOREnet is an entity of the University of Missouri  
and is funded solely by the State of Missouri and customer participation fees.  
MOREnet customers include 747 E-rate eligible organizations, or just over

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<sup>1</sup> MOREnet's Billed Entity Number (BEN) is 152265.

98% of Missouri's schools and public libraries. These organizations rely solely on MOREnet for the provision of Internet access.

In the funding commitment decision letter, the reason for denial states: "The cited SPIN is only for a state master contract. No contract or agreement was in place when the Form 471 was filed." This finding by SLD is clearly erroneous and should be reversed. MOREnet followed the SLD prescribed guidance regarding State Master Contracts. Additionally, MOREnet has handled State Master Contracts in every other E-rate program year identical to the method used for the FY 2003 application. This method has been approved by SLD reviewers in every other year. In fact, shortly after receiving the denial of the FRNs for the FY2003 application based on the state master contract, MOREnet received an approval of the FY2004 application based on the exact same State Replacement Contract method.

### **State Master Contract**

At issue in this appeal is the State Replacement Contract Method.<sup>2</sup> Often times, a State Master Contract may expire prior to start of the funding year for which E-rate discounts are sought. In such an instance, the SLD provides a procedure by which applicants may still request services available from future State Master Contracts.<sup>3</sup> However, the State Replacement Contract Method is based wholly on the assumption that the new State Replacement Contract is awarded and will commence the day after the

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<sup>2</sup> The State Replacement Contract Method guidelines are clearly established by the SLD and can be found at <http://www.sl.universalservice.org/reference/StateReplacement.asp>.

<sup>3</sup> *Id.*

expiration of the current State Master Contract. Such a situation of precise timing rarely occurs.

In the specific instance of the denied FRNs affecting MOREnet, the originating State contract expired prior to 07/01/2003 *AND* the State replacement contracts were not yet awarded. As is common in large organizations with lengthy procurement cycles, it was unknown prior to the commencement of the funding year what exact date the new contract would begin. It was clear, however, that a State Replacement Contract would be awarded sometime after the beginning of the funding year. Therefore, the months of service between the expired originating contract date and the new State Replacement Contract date in funding year 2003 are Month-to-Month or Tariff funding requests. Once the new Replacement Contract became available, the request was transferred from Month-to-Month or Tariff to a Contract service. Throughout the process, the actual eligible services did indeed originate from State contracts in funding years 2000 or 2001, as shown by supporting documentation.

## **Conclusion**

The SLD erred in denying MOREnet's funding request numbers. Clearly, MOREnet has followed the recommended State Replacement Contract method. The SLD's acceptance of this method is evidenced by the approval of previous and subsequent funding years to FY2003.

SLD's funding denial decision should be reversed and the funding requests remanded to SLD for full consideration.

Respectfully Submitted,

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